

DRILL RIG VALUATION INSTRUCTIONS

It is the responsibility of the taxpayer to certify to you the manufactured year of the rig, the manufacturer's depth rating and whether the rig is mechanical or electrical.

Note: If you have any questions concerning the assessment of this type of property contact the central office in Helena.

Valuation

The replacement cost new (RCN) is determined by the manufacturer's depth rating.

Apply the Trended % Good from the depreciation schedule to the RCN to determine the market value. The Trended % Good to be used is determined by the year the rig was manufactured.

Example: The taxpayer has a mechanical drill rig manufactured in 2005 with a manufacturer's depth rating of 13,500'. Using the Depth Rating schedule you determine the RCN to be \$1,538,500. The % Good for 2005 is 77%.

$$1,538,500 \times 77\% = \$1,184,645 \text{ market value}$$

$$1,184,645 \times 3\% = \$ 35,539 \text{ taxable value}$$

Your Orion entry should look like this:

18-000000TEST-001 Personal Property - Strict Personal - Test 56

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D 18-000000TEST-001 Personal Property - Strict Personal Appraisal

General Ownership Exemptions Assessments Appraisal Transfers Appeals Water Rights Documents

P607632 (NEW) Legal Owner FARMER JOHN(00053632) Situs Tax Year 2009 As Of 12/31/2008

Expand All Copy Calculate Property Value

Lease and Rental Property (0)
PP Oil and Gas (0)
Workover/Service/Drill Rigs (3)
1. Tbl/Sub Tbl 01/01 Workover Rig, Make/Mdl/Type, Depth Rating 6000, Yr New 2007
2. Tbl/Sub Tbl 03/02 Cable Tool Rig, Make/Mdl/Type, Depth Rating 1, Yr New 1995
3. Tbl/Sub Tbl 05/01 Mechanical Drill Rig, Make/Mdl/Type, Depth Rating 13500, Yr New 2005
Industrial Property (0)

Mkt Value: \$1,184,645

Workover/Service/Drill Rig Detail

Tbl/Sb Tbl 05/01 Mechanical Drill Rig Description Class Code 6520
Quantity Make/Mdl/Type Revised taxpayer reported detail
Year New 2005 Year Acquired Special mobile equipment
Depth Rating 13,500 Acquired Cost Comments
Comments
Override Value and Reason
Ovr Reason Override Value Converted Value
Incentive Program
Type Year Granted Conv Mkt Val Depreciation Detail
Age 4
Market Value \$1,184,645 RCN \$1,538,500 Depr Table PPWSDR2
Other Information Pct Good 77
Message
Mkt Value: \$1,184,645

1/2/2009 10:12am Messages

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DRILL RIG DEPRECIATION SCHEDULE

This schedule is to be used from January 1, 2009 through December 31, 2009, (reference ARM 42.21.140).

The following schedules will be used to arrive at market value when assessing a drill rig.

<u>YEAR</u>	<u>TRENDED % GOOD</u>
2009	100%
2008	92%
2007	87%
2006	83%
2005	77%
2004	72%
2003	63%
2002	46%
2001	40%
2000	32%
1999 and older	27%

DEPTH CATEGORIES AND REPLACEMENT COST NEW

Use the appropriate column from the RCN table depending on whether the rig is Mechanical or Electrical.

Manufacturer's Depth Rating	Electrical RCN	Mechanical RCN
0 – 3,000		285,209
3,001 – 5,000		432,135
5,001 – 7, 500	868,250	654,750
7,501 – 10,000	1,167,210	998,750
10,001 – 12,500	1,265,500	1,130,600
12,501 – 15,000	1,720,400	1,538,500
15,501 – 20,000	1,990,100	
20,001 & Greater	2,036,047	

Property Type	Class Code	Property Class	Taxable Percentage
Drill Rigs	6520	8	3%